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S E C R E T SECTION 01 OF 07 TOKYO 000228

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E.O. 12958: DECL: 02/03/2030
TAGS: [PREL](#) [PGOV](#) [MARR](#) [JA](#)
SUBJECT: U.S.-JAPAN SECURITY SUB-COMMITTEE MEETING

REF: SECDEF DTG 292154ZJAN10

Classified By: Deputy Chief of Mission James P. Zumwalt; reasons 1.4 (b)
/d)

11. (S) SUMMARY: Initiatives for the Security Treaty's 50th anniversary, updates on the Quadrennial Defense Review (QDR) and Nuclear Posture Review (NPR), Host Nation Support (HNS), Realignment/Futenma Replacement Facility, possible new bilateral exchanges and F-X procurement were the main Alliance issues discussed during the February 2 Security Sub-Committee (SSC) meeting, led by EAP A/S Campbell and ASD Gregson on the U.S. side, and MOFA DG for North America Umemoto and MOD DG for Defense Policy Takamizawa on the Japanese side. Regarding the 50th anniversary, both sides raised the possibility of a new security declaration, a 2 2 (SecState, SecDef, and GOJ counterparts) meeting, and trilateral engagement with India in 2010. DG Umemoto, however, relayed Foreign Minister Okada's decision not to form an eminent persons panel to shepherd anniversary activities. In terms of new exchanges, DG Umemoto called for the start of formal bilateral dialogues on regional security (focusing initially on China), extended deterrence, and cyber-security.

12. SUMMARY cont'd: The Japanese side expressed support for beginning HNS discussions at an early point with a view to presenting a more efficient support package to the Japanese public. ASD Gregson pressed for green energy technologies as a possible component of a successor HNS agreement, and A/S Campbell noted the political sensitivities of the HNS issue during a time of FRF-related Alliance challenges. On the realignment of U.S. forces in Japan, A/S Campbell urged the Japanese side to refrain from going public with FRF alternative proposals before consulting with the USG. ASD Gregson expressed concern that politicization of FRF decisions are bleeding into other realignment projects, particularly Iwakuni. DG Takamiza provided an update on F-X procurement, noting that MOD has started a process to brief the Defense Minister on the candidate aircraft, threat assessment and procurement and delivery issues. DG Takamizawa expressed concerns about barriers to F-35 information, Japanese industrial to participation in F-35 production, and rumors of delivery delays. End summary.

13. (U) The United States and Japan held a Security Sub-Committee (SSC) meeting on February 2 hosted by the Ministry of Foreign Affairs in Tokyo. Assistant Secretary of State Kurt Campbell and Assistant Secretary of Defense Wallace "Chip" Gregson chaired the U.S. side, with Ministry of Foreign Affairs Northern American Affairs Bureau Director General Kazuyoshi Umemoto and Ministry of Defense Bureau of Defense Policy Nobushige Takamizawa chairing for Japan. Representatives from Embassy Tokyo, Pacific Command and U.S. Forces, Japan joined the U.S. chairs, with representatives from the Japan Joint Staff filling out the Japan side. A full list of participants is at the end of the cable.

Quadrennial and Ballistic Missile Defense Reviews

14. (C) OSD Director for Japan Basalla drew on talking points in Ref A to provide an overview of the Quadrennial Defense Review (QDR) and Ballistic Missile Defense Review (BMDR). ASD Gregson emphasized that the United States is not reducing its presence in Northeast Asia, but rather expanding throughout the Pacific the presence of its existing alliances. The United States encourages the increase in Japan Self Defense Forces (JSDF) presence and operations around Guam and Asia. This will help protect sea lanes of communication from non-traditional and conventional threats. The USG seeks the expanded use of Guam for U.S. military-Japan Self Defense Force training. This joint

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training, combined with Japan's increased experience with humanitarian assistance and disaster response (HA/DR), such as with the JSDF deployment to Haiti, will demonstrate to the region Japan's ability to react to humanitarian aid situations and improve its national image. A permanent JSDF presence on Guam to support the training would be appropriate, ASD Gregson noted.

15. (C) JSDF Joint Staff Director for Plans and Policy MG Koichi Isobe offered that the HA/DR missions match JSDF capabilities and experience and are supported by the public and politics in Japan, as evidenced by the quick Cabinet decision on the Haiti dispatch. MOD Defense Policy DG Takamizawa noted that a critical factor for Japan's HA/DR operations will be having sufficient quick lift capability.

Nuclear Posture Review

16. (S) Basalla provided an update on the Nuclear Posture Review (NPR) using interagency-cleared talking points, noting its release has been delayed until March 1 as a result of serious and sustained U.S. leadership attention on the contents. A key theme will be the U.S. commitment to reduce the number of nuclear weapons and at the same time strengthen deterrence and extended deterrence to reduce the potential for conflict that would threaten the United States, as well as its allies and partners. The United States is looking to strengthen regional deterrence architectures and deepen security cooperation, including with Japan. A key recommendation in the NPR will be to retire the nuclear-armed, submarine-launched Tomahawk Land Attack Missile (TLAM-N), as it has been deemed redundant and would require a costly replacement program. The United States has sufficient other means to project nuclear power and the NPR will indicate investments into the U.S. strategic deterrent force. Non-nuclear strike capabilities and BMD also play critical roles in regional deterrence and the United States seeks continued and additional cooperation with Japan in these areas. The United States is aware of Japan's interest in these issues, as indicated by Foreign Minister Kazuya Okada's letter to Secretaries Clinton and Gates, and is looking forward to continued dialogue with Japan, Basalla

stated.

Extended Deterrence Dialogue

17. (S) ASD Gregson added that the United States has been consistent and strong in its public messages, such as Deputy Secretary of State Steinberg's statement following North Korea's missile and nuclear activities in the spring of 2009, that the United States would take every action possible to reassure and defend its allies. The United States seeks to expand the dialogue with Japan on extended deterrence issues.

This should include a GOJ visit to U.S. Strategic Command to ensure Japan understands, to the extent possible, U.S. deterrence plans and concepts, and to allow Strategic Command to hear Japan's interests and concerns, ASD Gregson stated.

18. (S) MOFA DG Umemoto informed the U.S. side that Foreign Minister Okada, who was not interested in the strategic issues associated with extended deterrence when first taking office, is now eager to start a bilateral dialogue on the issue. MOFA would like to send a team to the United States during the week of February 15 to begin formal discussions. A/S Campbell stressed that there are three distinct issue sets that must be managed: 1. extended deterrence, 2. nuclear history (known as the "secret agreements" in Japan), and 3. the ability of U.S. aircraft and ships to call at Japanese ports without needing to confirm or deny the presence of nuclear weapons.

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19. (S) DG Umemoto said nuclear propulsion is not much of a concern in Japan, especially following the USS George Washington's deployment, but nuclear weapons are very much tied to the "secret agreement" issue. Japan does not want to end up like New Zealand and needs to find a path forward that allows U.S. operations and port visits to continue while also responding to questions from the Japanese public. He also noted that the Japanese public has high expectations following President Obama's Prague speech, and so it will be necessary to reconcile the contradiction between working to reduce nuclear weapons and strengthening deterrence. The public also needs to understand that reducing reliance on U.S. nuclear weapons for Japan's security will mean an increased reliance on U.S. and Japanese conventional forces, DG Umemoto said. Both sides agreed on the need to draw up a terms of reference and begin the extended deterrence dialogue as soon as possible.

50th Anniversary: Regional Security Assessment

110. (C) DG Umemoto proposed that a key bilateral activity associated with the 50th anniversary of the Treaty of Mutual Cooperation and Security Treaty should be a Deputy Director General/Deputy Assistant Secretary-led assessment of the security environment in East Asia, with a specific initial focus on China. The work should kick-off in March. Both sides agreed on the benefit of including experts, which should come from the interagency policy community, including the National Security Council and the White House, as well as the armed forces and intelligence community. A/S Campbell recommended State and MOFA lead this assessment. MOD DG Takamizawa offered that the assessment should incorporate previous dialogues, such as the bilateral airpower dialogue. The results could lead to renewed discussions on Alliance roles, missions and capabilities, and also inform Japan's revision of the National Defense Program Guidelines and drafting of the next 5-year Mid-Term Defense Plan, DG Takamizawa said.

111. (C) A/S Campbell stated that, given North Korea's activities, China's growing military, and increased

non-traditional threats, including extremism, piracy and climate change, the United States and Japan face the most challenging security environment in the history of the Alliance. However, the messages to the public regarding bilateral dialogues often gloss over this reality. DG Umemoto agreed with A/S Campbell's statement that this needs to change with an assessment of the regional security picture so that the public better understands threats to Japan. He also said FM Okada wants to discuss the security environment with his counterparts as well and suggested this topic could be part of a future 2 2 meeting.

50th Anniversary: Cyber-security

¶12. (S) DG Umemoto said cooperation on cyber-security would be another activity to kick off during the 50th Anniversary year. He expressed appreciation for the U.S. offer to continue discussions on cyber-security issues, including those related to China. ASD Gregson noted the importance of getting real experts together, given the highly technical nature of the subject. DG Umemoto suggested having a joint cyber exercise at some point. ASD Gregson agreed, noting that the United States was setting up a military command to defend and combat threats to networks. DG Takamizawa said Japan was not as far along as the United States and has had a hard time assigning responsibility to the right agency, which has hindered Japan's approach to the issue. A/S Campbell replied that USG coordination on cyber security was not as

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developed as was believed. He suggested, and all agreed, that the best path forward for progress would be a DOD-MOD-led dialogue. DG Umemoto said Japan is also ready to ""upgrade"" the until now classified Bilateral Information Security Task Force (BISTF) into a public working group on information security that would build on BISTF's work to date.

Wisemen's Group/Mini-SSC

¶13. (C) A/S Campbell reiterated the USG's interest in forming a bilateral &wisemen's group⁸ for shepherding events related to the 50th anniversary of the security treaty, an idea originally suggested by the Japanese Embassy in Washington. DG Umemoto pointed out that FM Okada remains firmly opposed to creating a formal group. As a practical matter, the DPJ government is not able to identify sufficient numbers of security experts outside the government with no ties to the Liberal Democratic Party (LDP). Although MOFA had supported the idea at one point, the change in government and the current political environment have rendered it unfeasible, DG Umemoto said.

¶14. (C) DG Umemoto also called for discussions at the upcoming mini-SSC on bilateral planning and each of the sub-elements. While both sides have achieved considerable progress in moving forward on individual sub-elements, senior Japanese political leaders could not connect them together well in the overall bilateral planning construct, Umemoto noted. ASD Gregson responded that he supports discussing bilateral planning at the mini-SSC, and suggested that both sides explore and discuss further some of the key takeaways from the recent Keen Edge bilateral exercise. OSD Director for Japan Basalla suggested discussing bilateral training in the mini-SSC, emphasizing that training is an issue that crosses over both strategic and operational issues.

¶15. (C) A/S Campbell suggested that both sides try to schedule another SSC in March, either in Washington or in Hawaii, with perhaps a half-day set aside for a trilateral meeting with India. DG Umemoto expressed support for the idea, noting that the GOJ has been seeking trilateral discussions with India and bilateral discussions with China.

A/S Campbell noted difficulties in pursuing a bilateral summit between the President and Prime Minister Hatoyama in April, adding, however, that considerable interest exists for a Security Consultative Committee (SCC) &2 28 meeting. Scheduling an SCC meeting sometime after the GOJ,s decision on the Futenma Replacement Facility (FRF) in May would be a good opportunity to announce the direction to be taken by the U.S.-Japan Alliance, as well as to celebrate the hard work of both sides on FRF. An SCC prior to a resolution on FRF, however, could be difficult. DGs Umemoto and Takamizawa noted difficulties in following such a timeline, as the Diet would be in session in June and Defense Minister Kitazawa would also need to focus on campaigning in the July Upper House election.

50th Anniversary: End State

¶16. (C) A/S Campbell asked, given the proposed bilateral activities that include the extended deterrence dialogue, regional security assessment and cyber-security cooperation, what the GOJ sees as the end state for the 50th anniversary of the Security Treaty. DG Umemoto said FM Okada sees the process starting with the current discussions on planning for the 50th anniversary commemoration, followed by the abovementioned dialogues, and culminating in a joint declaration that would articulate the Alliance in the 21st Century. A/S Campbell noted that a joint declaration could be possible, if the Futenma Replacement Facility issue is

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solved in a timely fashion. FM Okada has the same view, DG Umemoto responded. A/S Campbell noted that President Obama will stop in Guam in March on his way to Australia and Indonesia. The stop should signal to Japan the importance of Guam to Alliance transformation and the realignment of U.S. forces, particularly the FRF plan. A/S Campbell also noted the need to begin laying the ground work for President Obama's trip to Japan in November.

Host Nation Support

¶17. (C) DG Umemoto called for both sides to begin the formal process for conducting a comprehensive review of Host Nation Support (HNS) as agreed in the current Special Measures Agreement (SMA) on Host Nation Support (HNS) for U.S. forces. He stressed that, from the GOJ,s perspective, comprehensive review does not necessarily equate to drastic reductions in HNS, but rather, managing HNS funds more efficiently by examining all areas of use to demonstrate to the Japanese public that HNS contributes to the defense of Japan. The focus, DG Umemoto stated, should be on more efficient use of HNS or on slight reductions with greater results. ASD Gregson cautioned against portraying the comprehensive review as &slight reductions,8 as some Washington observers could misinterpret Japanese calls for &slight reductions8 as calls for &less defense.8 He also stressed that the goal for both governments should be to attain the greatest value out of HNS, not to minimize cost.

¶18. (C) A/S Campbell sought DG Umemoto,s views on the idea of extending current levels of HNS by one year and delaying negotiations in order to avoid raising yet another contentious bilateral issue. He pointed out that precedent for such extensions exist, as the two governments had done so on two other occasions. DG Umemoto rejected the idea, stressing that simple continuation of current levels of HNS would be toocontroversial. He underscored that, precedent notwithstanding, the new government would not support a plan in which both sides did nothing to address perceived inefficiencies in HNS spending. DG Umemoto noted, however, that immediate changes to current levels of HNS are not necessary, given both sides, respective budget cycles. A

five-year agreement, for example, that demonstrates changes either at the end of the five-year period or sometime earlier would allow for continuation of current HNS levels for a short period, DG Umemoto said.

¶19. (C) A/S Campbell stressed that the contents of HNS discussions ought to be kept out of the public. He also noted that USG would integrate Assistant Secretary for Political-Military Affairs Andrew Shapiro and his bureau more deeply in the HNS negotiations, a bureaucratic change in the USG's approach to HNS. The USG wants to pursue periodic senior-level talks led by the DOS Office of the Senior Advisor for Security Negotiations and Agreements to review progress made at the Director-level SMA negotiations in Tokyo, as well as to address broader, strategic issues. ASD Gregson suggested including renewable energy in the HNS discussions, as utilities costs present a considerable portion of HNS. He offered to send to Japan a DOD briefing team to engage in discreet information exchanges on some of the energy efficiency projects being pursued by DOD, including the Office of Naval Research.

Futenma Replacement Facility

¶20. (C) DG Umemoto underscored that the entire GOJ is committed to finding a solution on FRF by the end of May, as Prime Minister Hatoyama and other senior officials have commented publicly. He noted that the ruling party,

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consultations are progressing and stressed that the possible alternatives do not exclude the current plans. He assured the U.S. delegation that any alternative put forth by the GOJ must meet U.S. military requirements and will, therefore, require prior consultation with the USG. Referring to the results of the Nago City mayoral elections (won by an anti-FRF candidate), DG Umemoto pointed out that decisions on FRF will be made by the GOJ, not local communities. He also asked that the USG support the proposed visit to Guam by members of the Coalition Working Group, with whatever conditions or restrictions it wants to impose on them. The members want to examine the current conditions in Guam to inform their own deliberations. While the GOJ understands U.S. concerns about possible ulterior motives of Social Democratic Party (SDP) and People's New Party (PNP) members of the working group, MOFA would like the USG to agree to support a multiparty delegation in principle, DG Umemoto said.

¶21. (C) A/S Campbell said the USG would agree to support the visit in principle. He pointed out that the USG would continue to maintain that the current FRF plan remains the best approach, that the USG is prepared to engage on the issue with the GOJ, that it seeks expeditious results, and that any decisions on FRF must be made bilaterally. A/S Campbell also noted that the U.S. side would respond strongly if the Japanese side were to go public with unilateral FRF alternative proposals before consulting with the USG. DG Umemoto pointed out that the Realignment Roadmap is not limited to FRF and urged both sides to make progress on other areas of realignment. ASD Gregson responded that while the Roadmap goes beyond Futenma, the politicization of FRF is bleeding into other realignment projects, particularly Iwakuni.

F-X

¶22. (S) DG Takamizawa reported that MOD had held the first of four internal meetings to bring the Defense Minister and Vice Ministers up to date on the F-X (Japan's next fighter aircraft) procurement. The remaining meetings will focus on why the F-X is necessary, the security environment, candidate aircraft (F-35 Joint Strike Fighter, F/A-18E/F, F-15X and the

Eurofighter) and procurement timelines for each aircraft. Meetings will be held every other week until end of March or early April. MOD is planning to reach out to other countries that have the candidate aircraft to determine their rationale for procurement. MOD will be looking at F-X procurement not just from the perspective of replacing the aging F-4 squadrons, but also with a view to replacing Japan's F-15s and countering the growing multilayered China threat. This could lead to fewer resources for the F-X and more for other assets, such as submarines for instance, depending on Japan's assessment of the threat. Domestic industrial participation will also be a factor, as Japan's indigenous F-2 line will soon be shut down, leaving Japan with no domestic fighter production program. MOD's assessment is that, if the F-35 is selected, there would be no room for Japanese industrial participation. Moreover, MOD would also not be able to purchase indigenously produced missiles for the F-35. DG Takamizawa assessed that MOD will request funding for the F-X in the JFY2011 budget, although perhaps without specifying a platform.

123. (C) A/S Campbell affirmed that the United States is committed to providing as much information as possible so Japan can make the right decision. DG Takamizawa said getting information has been a difficult and frustrating process, while noting the information security issues associated with the Joint Strike Fighter. MOD has accepted that it will not be able to receive radar cross section (RCS) data on the F-35 and will try to determine why other countries decided to purchase the platform prior to receiving

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RCS data. DG Takamizawa expressed concern about delivery timelines, indicating he had heard rumors that there were two to three-year delays. ASD Gregson said it is important to dispel rumors and have people with accurate information provide Japan with an update on the current status.

124. (U) Meeting participants:

State Department

Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell
Embassy DCM James Zumwalt
Robert Luke, Embassy Political Minister Counselor
Kevin Maher, EAP/J Director
Joseph Young, Embassy Political-Military Unit Chief
Nirav Patel, EAP Special Assistant
Mark Tesone, EAP Special Assistant
Simon Lee, Embassy Political Military Officer
Dan Cintron, Embassy Political Military Officer

Defense Department

Assistant Secretary of Defense for Asian and Pacific Security Affairs Wallace "Chip" Gregson
Brig Gen William Uhle, PACOM Deputy J3
Suzanne Basalla, OSD Director for Japan
COL Jeffrey Wiltse, USFJ J5
LCDR John Bradford, OSD Country Director for Japan

Ministry of Foreign Affairs

North American Director General Kazuyoshi Umemoto
North American Deputy Director General Koji Tomita
Embassy of Japan Minister Akiba
Japan-U.S. Security Treaty Division Director Funakoshi
Senior Japan-U.S. Security Coordinator Arai
Japan-U.S. Security Treaty Div. Dep. Director Okazaki

Ministry of Defense

Defense Policy Director General Nobushige Takamizawa
Japan Joint Staff Policy and Plans Director MG Isobe
Defense Policy Deputy Director General Tetsuro Kuroe

Japan-U.S. Defense Cooperation Div. Director Serizawa
Japan-U.S. Defense Cooperation Dep. Director Araki

¶25. (U) A/S Campbell's and ASD Gregson's staff cleared this
cable.
ROOS